

October 31, 1978

Memo to File:

RE: Utah International
Cedar City Operations
Iron County
ACT/021/001

Attached are three copies of signed MR Form 6 from Utah International with their surety estimate of \$250,000. The Division's estimate was for \$974,312. There seems to be a difference of opinion on the amount of surety. Utah International will be sending the Division some information regarding their estimate. When an amount has been agreed upon, it will be presented to the Board for their approval.

JWS
JAMES W. SMITH, JR.
RECLAMATION SOILS SPECIALIST

JWS/te

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
BOARD OF OIL, GAS AND MINING
1588 West North Temple
Salt Lake City, Utah 84116

* MINED LANDS RECLAMATION CONTRACT *

THIS CONTRACT, made and entered into this _____ day of _____, 19____, between Utah International Inc., a corporation duly authorized and existing under and by virtue of the laws of Delaware as party of the first part and hereinafter called the Operator, and the Board of Oil, Gas, and Mining, duly authorized and existing by virtue of the laws of the State of Utah, as party of the second part hereinafter called the Board.

WITNESSETH:

WHEREAS, the Operator is the owner and in possession of certain mining claims and/or leases hereinafter more particularly mentioned and described in Exhibit "A" attached hereto.

WHEREAS, the Operator did on the 10th day of June 1977, file with the Division of Oil, Gas, and Mining, a "Notice of Intention to Commence Mining Operations" and a "Mining and Reclamation Plan" to secure authorization to engage, or continue to engage, in mining operations in the State of Utah, under the terms and provisions of the Mined Land Reclamation Act, Section 40-S, UCA, 1953;

WHEREAS, the Operator is able and willing to reclaim the above mentioned "lands affected" in accordance with the approved mining and reclamation plan, the Mined Land Reclamation Act and the rules and regulations adopted in accordance therewith.

WHEREAS, the Board has considered the factual information and recommendations provided by the staff by the Division of Oil, Gas, and Mining as to the magnitude, type and costs of the approved reclamation activities planned for the land affected.

WHEREAS, the Board is cognizant of the nature, extent, duration of operations, the financial status of the Operator and his capabilities of carrying out the planned work.

NOW THEREFORE, for and in consideration of the mutual covenants of the parties by each to the other made and herein contained, the parties hereto agree as follows:

1. The Operator promises to reclaim the land affected in accordance with the approved Mining and Reclamation Plan, the Mined Land Reclamation Act, and the Rules and Regulations adopted in accordance therewith.
2. The Board, in lieu of the posting of a bond or other surety, accepts the personal guarantee of the Operator to reclaim the land affected.
3. The Board and Operator both agree that the Operator will not be obligated to expend a sum in excess of that required to complete the reclamation work outlined in the Mining and Reclamation Plan which was designed for the mining operation as submitted to the Division on the 10th day of June, 1977, and which has been estimated to cost \$ 250,000.

IN WITNESS WHEREOF, the parties of the first and second part hereto have respectively set their hands and seals this _____ day of _____, 19____.

By: Boyd C. Paulson
Boyd C. Paulson
Vice President, Utah International Inc.

ATTEST:
John T. Allen
Secretary

COPY
BOARD OF OIL, GAS, AND MINING

By: _____
Chairman

Note: If the Operator is a corporation, the agreement should be executed by its duly authorized officer with the seal of the corporation affixed.